

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 632 – HB 1018

March 27, 2017

SUMMARY OF BILL: Requires the State Board of Education (SBE) to adopt rules which require local education agencies (LEAs) to use the ACT College and Career Readiness Standards for high school English language arts, math, and science courses; and use the ACT WorkKeys® and National Career Readiness Certificate™ standards for high school English language arts and math courses. Requires every public school student to take the ACT WorkKeys® examination at grade eleven. Exempts public school students from a requirement to take an end of course exam for English 3, Algebra 2, or Chemistry at grade eleven. Applies these changes to the 2018-2019 and subsequent school years.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$3,130,000/FY17-18

Net Impact – \$2,999,200/FY18-19 and Subsequent Years

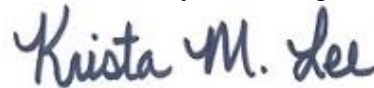
Assumptions:

- Based on information provided by the Department of Education (DOE), the implementation of the revised standards required by this legislation would require significant statewide training for educators in line with similar training that is currently underway to meet National Career Readiness Certificate™ standards.
- ACT WorkKeys® testing will begin in FY18-19.
- The state covers all testing related costs; therefore, the fiscal impact of this legislation is not significant for local government.
- Based on current cost projections provided by the DOE for training related to the revised standards, which includes content development, materials, facilitator training, mileage, per diem and other related expenses, there will be a one-time increase in state expenditures estimated to be \$3,044,923 in FY17-18.
- It is assumed that the ACT WorkKeys® will be administered in addition to current assessments required under Tenn. Code Ann. § 49-6-6001 (such as the ACT or the SAT).
- Based on information provided by the DOE, it is estimated that each high school will set up their own WorkKeys® testing center that will incur recurring expenses of \$1,966.50 per testing center per year.
- There are 320 public high schools in Tennessee; the total recurring increase in state expenditures for testing centers at each high school beginning in FY18-19 is estimated to be \$629,280 (\$1,966.50 x 320 high schools).

- Based on previous enrollment figures for 11th graders provided by the DOE, it is assumed that 75,000 11th graders will take the WorkKeys® each school year beginning in FY18-19.
- The cost of the WorkKeys® exam is \$24 plus an additional \$4 dollars for printing and an additional \$4 for setup; therefore, the total cost per exam is estimated to be \$32 (\$24 + \$4 + \$4).
- The recurring increase in state expenditures from administering the WorkKeys® to 11th grade students is estimated to be \$2,400,000 (75,000 x \$32).
- The ACT WorkKeys® exam is not uniformly administered statewide at this time.
- Due to additional responsibilities in administering the ACT WorkKeys® assessment statewide, the DOE will require an additional employee to coordinate the provisions of this legislation beginning in FY17-18 with a salary of \$67,008 and benefits of \$18,043; the total recurring increase in state expenditures beginning in FY17-18 is estimated to be \$85,051 (\$67,008 + \$18,043) beginning in FY17-18.
- The total increase in state expenditures for administering the ACT WorkKeys® to 11th graders in Tennessee is estimated to be \$3,114,331 (\$2,400,000 + \$629,280 + \$85,051) in FY18-19 and subsequent years.
- The provisions of the legislation also prohibit end of course testing for 11th graders in Algebra II, Chemistry, and English III.
- Based on enrollment figures of 11th graders in these three subject areas from the DOE, there are 36,428 11th graders in Algebra II, 32,691 11th graders in Chemistry, and 53,326 11th graders in English III, resulting in an aggregate reduced number of tests across the three subject areas estimated to be 122,445 (32,691 + 36,428 + 53,326).
- End of course testing in these subject areas costs the state \$0.94 cents per test.
- The recurring decrease in state expenditures from the prohibition in this legislation on end of course testing for 11th graders in these three subject areas beginning in FY18-19 is estimated to be \$115,098 (\$122,445 x \$0.94).
- The total increase in state expenditures in FY17-18 is estimated to be \$3,129,974 (\$3,044,923 + \$85,051).
- The net recurring increase in state expenditures beginning in FY18-19 is estimated to be \$2,999,233 (\$3,114,331 - \$115,098).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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